

CSCL / UASC/ YMUK /CMA CGM / PIL
VESSEL SHARING AND SLOT EXCHANGE AGREEMENT -
Asia and US /Canada West Coast Services

FMC Agreement No.: 012233-001

Expiration Date: In accordance with Article 9 hereof

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CSCL / UASC / YMUK /CMA CGM / PIL VESSEL SHARING AND SLOT EXCHANGE AGREEMENT

Asia and US /Canada West Coast Services

WHEREAS, CSCL (as defined below), ~~and UASC (as defined below) and YMUK (as defined below)~~ have entered into this Agreement to establish a weekly liner shipping service in the Trade (as defined below) named the AAS2/AWS1 service;~~are parties to that certain CSCL/UASC Vessel Sharing and Slot Exchange Agreement -- Asia and US/Canada West Coast Services, filed with the U.S. Federal Maritime Commission ("FMC") and having FMC Agreement No. 012198, pursuant to which CSCL and UASC have established the ANW1/AWN1 and AAS2/AWS1 services;~~

~~WHEREAS, YMUK (as defined below) independently operates various liner shipping services under its own trade name in various trades throughout the world;~~

~~WHEREAS, CSCL AND YMUK are parties to that certain CSCL/YMUK Slot Exchange Agreement, filed with the FMC and having FMC Agreement No. 012221, pursuant to which CSCL provides space to YMUK on the AAC service currently operated by CSCL, and in exchange, YMUK provides space to CSCL on the PSW4 service currently operated by YMUK.~~

~~WHEREAS, (i) CSCL and UASC desire to include vessels operated by YMUK in the AAS2/AWS1 service, (ii) CSCL and YMUK desire to cooperate with respect to the AAC service currently operated by CSCL, and (iii) the parties desire to exchange slots on the services established pursuant to this Agreement as well as certain other services independently operated by the parties.~~

~~WHEREAS, to accomplish these objectives, (i) CSCL and UASC are amending FMC~~

~~Agreement No. 012198 to remove the AAS2/AWS1 service from that agreement, (ii) CSCL~~

WHEREAS, CSCL, UASC and CMA CGM have entered into that certain Vessel Sharing and Slot Exchange Agreement filed with the U.S. Federal Maritime Commission ("FMC") and having FMC Agreement No. 012299, pursuant to which they have established a weekly liner shipping pendulum service named the PNW Loop 5/USEC/US Gulf Loop 1 service, a portion of which (the PNW Loop 5 service) is operated in the Trade;

WHEREAS, PIL (as defined below) independently operates various liner shipping services under its own trade name in various trades throughout the world;

WHEREAS, the Parties wish to (i) cooperate on the weekly service named AAS2/AWS1/PSW Loop 3 service established pursuant to this Agreement, and to independently offer the services to their respective customers under their individual trade names, and (ii) to exchange slots on the vessels operating in the AAS2/AWS1/PSW Loop 3 service with slots controlled by the Parties on vessels operating in the PNW Loop 5 service and the other services described in Article 5.5 below.

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~~and YMUK are terminating FMC Agreement No. 012221 in its entirety, and (iii) CSCL, UASC and YMUK are entering into this Agreement to continue the weekly AAS2/AWS1, to continue the slot exchange between CSCL and YMUK, and to agree to further slot exchanges among them.~~

~~WHEREAS, CSCL, UASC and YMUK wish to establish weekly services in the trades covered by this Agreement, and to independently offer the services to their respective customers under their individual trade names, and the parties further wish to exchange slots on the vessels operating in the services established pursuant to this Agreement for slots on vessels operating in certain other existing services;~~

THEREFORE, in consideration of the premises, and the mutual covenants, terms and conditions set forth herein, the Parties hereto agree as follows:

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the CSCL / UASC / YMUK /CMA CGM / PIL VESSEL SHARING AND SLOT EXCHANGE AGREEMENT – Asia and US/Canada West Coast Services (hereinafter referred to as the "Agreement").

ARTICLE 2: PARTIES TO THE AGREEMENT

The parties to this Agreement (each a "Party," and collectively, the "Parties") are:

- (a) China Shipping Container Lines Co., Ltd.
Room A-538, International Trade Center China (Shanghai) ~~Pilot Free Trade Zone,~~

No. 188 Ye Sheng Road, ~~Yangshan Free Trade Port Area~~Pilot Free Trade Zone,

Shanghai 201306, P. R. China

and

China Shipping Container Lines (Hong Kong) Co., Ltd.

~~59/F, One Island East~~33/F, Tower 2, Kowloon Commerce Centre,

~~18 Westlands Road~~51 Kwai Cheong Road, New Territories

~~Island East~~, Hong Kong

China Shipping Container Lines Co., Ltd. and China Shipping Container Lines (Hong Kong) Co., Ltd. shall be treated as a single party hereunder and shall be referred to collectively as "CSCL".

China Shipping Container Lines Co., Ltd. and China Shipping Container Lines (Hong Kong) Co., Ltd. shall be jointly and severally responsible for the performance of each of their obligations under this Agreement and for any and all damages arising out of or resulting from any breach of this Agreement by either of them.

(b) UNITED ARAB SHIPPING COMPANY (S.A.G.)

~~UASC Building, PO Box 55586~~3636,

~~Al Garhoud Road, Dubai, UAE~~ Safat 13037

Kuwait

Referred to as "UASC".

(c) YANG MING (UK), LTD.

2nd Floor, 210 South Street,
Romford, Essex, RM1 1TG, U.K.

Referred to as "YMUK" .

(d) CMA CGM S.A.

4, Quai d'Arenc

13235 Marseille Cedex 02, France

Referred to as "CMA CGM" .

(e) Pacific International Lines (Pte) Ltd.

140 Cecil Street #03-00,

PIL Building

Singapore 069540

Referred to as "PIL".

ARTICLE 3: UNDERTAKING AND PURPOSE

(a) The purpose of this Agreement is to develop and improve the liner shipping services independently operated by CSCL, UASC, YMUK, CMA CGM and ~~YMUK~~ PIL. The Parties will accomplish this purpose by (i) ~~establishing~~ cooperating on a weekly liner shipping services named AAS2/AWS1/PSW Loop 3 Service (the "Loop 3 Service")

utilizing vessels contributed, and independently operated, by each of the Parties hereto, and (ii) exchanging slots controlled by the Parties on vessels operating in the Loop 3 sServices established pursuant to this Agreement, ~~with slots on vessels operating in other existing services.~~ the PNW Loop 5 service established pursuant to FMC Agreement No.012299, and the other services described in Article 5.5 below.

(b) Although the Parties ~~will~~ may discuss and cooperate to determine, the most appropriate vessel size and characteristics, sailing schedule and port rotation, and frequency of port calls for the Loop 3 Service, ~~services established under this Agreement,~~ they shall each independently offer the Loop 3 Services ~~services~~ to their respective customers under their individual trade names, and shall not otherwise share in the revenues or expenses associated with the ~~services~~ Loop 3 Service, and shall not exchange or otherwise disclose information regarding such revenues or expenses. ~~The Parties shall share space on the vessels employed in the Services (as defined in Article 5.1), according to the terms of this Agreement. The Parties shall exchange slots on vessels operated in the Services with slots on vessels operated in other existing services. In addition, each Party may charter to each other Party slots on its vessels employed in the trades covered by this Agreement.~~

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of this Agreement (hereafter, the "Trade") shall cover the trades between (i) ports on the West Coast of the United States and Canada, and U.S. and Canadian inland and coastal points served via such ports on the one hand, and (ii) ports in China, Taiwan, and South Korea and inland and coastal points served via such ports on the other hand. There shall be no geographic restrictions on the origin or destination of cargo carried on vessels employed in the Loop 3 Services ~~(as defined in Article 5.1)~~ established pursuant to this Agreement. In other words, such cargo may originate from or be destined for ports or points outside the geographic scope of this Agreement.

The inclusion of non-U.S. trades in this Agreement shall not bring such non-U.S. trades under the jurisdiction of the U.S. Federal Maritime Commission or entitle the Parties hereto to immunity from the U.S. antitrust laws with respect to such non-U.S. trades.

ARTICLE 5: AGREEMENT AUTHORITY

5.1 The AAS2/AWS1/PSW Loop 3 Services

The Parties shall ~~jointly establish 3~~ cooperate on the Loop 3 Service, a weekly liner shipping services ~~(each a "Service" and, collectively, the "Services")~~ in the Trade. ~~Each~~ The Loop 3 Service shall deploy six (6) vessels on 42-day round trip voyages, calling in principle on a fixed day and weekly basis in such ports within the Trade as the Parties may mutually agree from time to time. The initial port rotation shall be:

~~AAS2/AWS1~~ service: ~~Xiamen - Ningbo - Shanghai - Ningbo - Pusan - Los Angeles -
Oakland - *Vostochny - Shanghai - Xiamen~~

~~*Vostochny is only for bunkering.~~

~~AAC~~ service: ~~Qingdao - Lianyungang - Shanghai - Ningbo - Pusan - Los Angeles
- Oakland - *Vostochny - Qingdao~~

~~*Vostochny is only for bunkering.~~

~~PSW2~~ service: ~~Hong Kong - Yantian - Kaohsiung - Keelung - Los Angeles -
Oakland - Pusan - Kwangyang - Keelung - Kaohsiung - Hong Kong.~~

Subject to prior mutual agreement in writing, the Parties may change this port rotation and / or these service names the name of the Loop 3 Service as they may deem necessary or desirable from time to time. Changes to the port rotation and service names shall not require an amendment to this Agreement.

In addition, the Parties may, from time to time, consult and mutually agree upon various other aspects of the Loop 3 Service, including sailing schedules, service frequency, ~~and~~ ports (within the Trade) to be served, transit times, adjustment of the speed of vessels (including slow steaming of vessels), and all other matters related to the scheduling and coordination of vessels.

5.2 Vessels Provision

~~The Parties will initially deploy six (6) vessels in the AAS2/AWS1 Service, one (1) of which shall be contributed by CSCL, two (2) of which shall be contributed by UASC, and three (3) of which shall be contributed by YMUK.~~

~~CSCL and YMUK independently and respectively deploy and operate all vessels in~~

~~the AAC service and the PSW2 service currently. From around May 19th 2014, the Parties will deploy six (6) vessels in the AAC Service, five (5) of which shall be contributed by CSCL, one (1) of which contributed by YMUK shall be chartered from CSCL subject to Charter Party. For the avoidance of doubt, CSCL will deploy all the six (6) vessels in AAC service, provided the Charter Party between CSCL and YMUK cannot be concluded before December 31st, 2013.~~

The Parties will initially deploy six (6) vessels in the Loop 3 Service, three (3) of which shall be contributed by UASC, one (1) of which shall be contributed by CMA CGM, one (1) of which shall be contributed by YMUK, and one (1) of which shall be provided either by PIL (if it reaches a timely charter agreement with CSCL for the vessel) or by CSCL. The vessel to be contributed by PIL shall be chartered by CSCL to PIL subject to a charter party to be mutually agreed upon by CSCL and PIL. For the avoidance of doubt, if CSCL and PIL reach agreement on the terms of the charter party before January 1, 2015, the vessel shall be contributed by PIL, and PIL shall receive the entire basic slot allocation associated with the contribution of that vessel. If CSCL and PIL fail to reach agreement on the terms of the charter party before January 1, 2015, the vessel shall be contributed by CSCL, CSCL shall receive the entire basic slot allocation associated with the contribution of that vessel, and PIL will be deemed to have withdrawn from this Agreement as of January 1, 2015.

The vessels deployed in the ~~AAS2/AWS1 Service, PSW2 Service and AAC Loop 3~~ Service are hereafter referred to individually as a "Vessel" and, collectively, as the "Vessels."

~~For purposes of this Agreement, all Vessels contributed by CSCL and UASC on AAS2/AWS1 Service shall be deemed to have an "Agreed Declared Capacity" of 3800~~

~~TEUs at an average of 10 gwt per TEU and all Vessels contributed by YMUK on AAS2/AWS1 Service shall be deemed to have an "Agreed Declared Capacity" of 3700 TEUs at an average of 10 gwt per TEU. If a Party deploys a Vessel with an actual capacity (at 10 gwt average) that is more or less than the Agreed Declared Capacity, the shortfall or additional capacity shall be taken from, or added to, the capacity allocation of the Party deploying such Vessel so that each of the other Parties receives its full allocation (but not more than its full allocation) of the Agreed Declared Capacity of the Vessel.~~

~~Notwithstanding the foregoing, it is agreed that from around May 19th 2014, the Parties shall deploy six (6) vessels in the AAS2/AWS1 service, three (3) of which shall be contributed by UASC, two (2) of which shall be contributed by CSCL, and one (1) of which contributed by YMUK shall be chartered from CSCL subject to Charter Party. For the avoidance of doubt, CSCL and UASC will deploy three (3) vessels respectively in AAS2/AWS1 service, provided the Charter Party between CSCL and YMUK cannot~~

The Parties shall each deploy Vessels in the Loop 3 Service with nominal capacity ranging from 8,000 TEUs to 10,000TEUs. The agreed declared capacity of the Vessels deployed on the Loop 3 Service shall range from 7,800TEUs to 8,200TEUs at an average of 10 gwt per TEU and shall be established by mutual agreement of the Parties. Without further amendment hereto, the Parties are authorized to operate up to fifteen (15) vessels in the Loop 3 Service, each with a nominal capacity up to 16,000 TEUs.

~~be concluded before December 31st, 2013. The Parties shall each deploy Vessels in the AAS2/AWS1 Service and AAC Service with nominal capacity ranging from 8000 TEUs to 10,000 TEUs. The Agreed Declared Capacity of these vessels deployed on AAS2/AWS1 Service and AAC Service shall range from 7,800 TEUs to 10,000 TEUs at an average of 10 gwt per TEU. Without further amendment hereto, the Parties are authorized to operate up to fifteen (15) vessels in the Services, each with an Agreed Declared Capacity up to 14,000 TEUs.~~

In addition, the Parties may, from time to time, consult and mutually agree upon various other aspects of the Vessel provision, including type and size of Vessels to be deployed, the addition or withdrawal of vessels from the Loop 3 Services, and the terms and conditions of any such addition or withdrawal. The Parties may also consult and mutually agree upon the number, type and capacity of Vessels to be operated by each of them in the Loop 3 Services, the allocation of space on Vessels deployed in the Loop 3 Services, and the terms upon which each may charter additional slots to the other on Vessels deployed in the Loop 3 Services.

Nothing herein shall be construed as limiting the rights of any Party to introduce additional capacity in the U.S. foreign-trades covered by this Agreement or from otherwise providing transportation in such trades on vessels other than those utilized under this Agreement.

5.3 Vessel Substitution / Phasing-in / out

The Parties shall discuss and mutually agree upon the timing, location and other

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aspects of phasing-in and phasing-out of the Vessels to be deployed in the Loop 3 Services.

The Parties may also discuss and agree upon the conditions upon which a Party may substitute a vessel for a Vessel deployed in ~~a~~ the Loop 3 Service, provided that (i) any substitute Vessel shall satisfy the requirements of Article 5.2 hereof, and (ii) the substitute Vessel shall be phased-in at the same position in the cycle as the Vessel it replaces unless

otherwise mutually agreed, and (iii) all additional costs including but not limited to transshipment and feeder expenses due to substitution of a Vessel by a Party shall be for the account of the Party substituting the Vessel. The Parties may establish other operational requirements for Vessel substitution as they shall deem appropriate.

Each Party shall operate its own Vessels deployed in the Loop 3 Services, and shall pay for the fixed and variable costs associated therewith, including, but not limited to, daily running costs, charter hire, bunkers, port charges, dry docking, repairs and insurance.

5.4 Vessel Scheduling and Performance

~~With respect to each Service, f~~From time to time the Parties will agree on sailing schedules for the Loop 3 Services based on a pro-forma schedule covering the voyage rotation set out in Article 5.1 hereof in the expected round voyage time of 42 days. Each Party shall maintain the sailing schedule and shall use maximum efforts to remedy any failure to comply in accordance with the decisions taken by the Parties. The Parties will from time to time agree on the financial and other implications of any failure to maintain the sailing schedule.

5.5 Space Slot Allocation, Slot Exchange and Slot Chartering

~~With respect to each Service, u~~Unless otherwise agreed by the Parties, space on each of the Vessels deployed in the Loop 3 Services shall be allocated between the Parties in proportion to the total Agreed Declared Capacity of the Vessels contributed by each Party to the Loop 3 Services, as outlined in Article 5.2.

~~Notwithstanding the above, the Parties shall make further structural slots swap and chartering as follows:~~

In addition to the above, the Parties agree to structural slot exchanges involving slots controlled by the Parties on Vessels operated in the Loop 3 Service, as well as vessels operated in the following other services:

PSW2/PSW Loop 2: YMUK currently operates six (6) vessels in this service

AAC/PSW Loop 4: CSCL currently operates six (6) vessels in this service

The PNW Loop 5 segment of the PNW Loop 5/USEC/US Gulf Loop 1 pendulum service: Only the PNW Loop 5 segment of the PNW Loop 5/USEC/US Gulf Loop 1 pendulum service established pursuant to FMC Agreement 012299 is covered by this Agreement. Seventeen (17) vessels are currently operated in this service. CSCL operates six (6) of these vessels, UASC operates two (2) of these vessels, and CMA CGM operates nine (9) of these vessels.

At the start of the Agreement, the slot exchange arrangements are as follows:

(a) AAS2/AWS1—AAC slot swap CSCL / YMUK slot exchange:

CSCL shall provide 900 slots (TEU) on AAC/PSW Loop 4 to YMUK, and
YMUK shall provide 900 slots (TEU) on PSW 2/PWS Loop 2 to CSCL.

~~UASC will provide to CSCL from its AAS2/AWS1 allocation 467 TEUs at 10 gwt average or 4670 tons and 43 reefer plugs per round trip weekly sailing on a~~

~~used or not used basis;~~

~~and in exchange,~~

~~CSCL will provide to UASC from slots controlled by CSCL on the AAC Service,
467 TEUs at 10 gwt average or 4670 tons and 43 reefer plugs per round trip
weekly sailing on a used or not used basis.~~

(b) ~~AAS2 /AWS1~~ PSW2 slot swap UASC / YMUK slot exchange:

UASC shall provide 200 slots (TEU) on AAC/PSW Loop 4 to YMUK, and

YMUK shall provide 200 slots (TEU) on PSW 2/PWS Loop 2 to UASC.

~~CSCL will provide to YMUK from its AAS2/AWS1 allocation 100 TEUs at 10
gwt average or 1000 tons and 10 reefer plugs per round trip weekly sailing on a
used or not used basis;~~

~~and in exchange,~~

~~YMUK will provide to CSCL from slots controlled by YMUK on its PSW2 service,
100 TEUs at 10 gwt average or 1000 tons and 10 reefer plugs per round trip
weekly sailing on a used or not used basis.~~

- (c) AAC / PSW2 slot swap CSCL / PIL slot exchange (provided that CSCL and PIL have reached agreement on the terms of a charter party before January 1, 2015, as set forth in Article 5.2 hereof):

CSCL shall provide 300 slots (TEU) on AAC/PSW Loop 4 to PIL, and
PIL shall provide 300 slots (TEU) on AAS2/PSW Loop 3 to CSCL.

~~CSCL shall provide to YMUK from slots controlled by CSCL on the AAC Service,
800 TEUs at 10 gwt average or 8000 tons and 60 reefer plugs per round trip
weekly sailing on a used or not used basis,~~

~~and in exchange,~~

~~YMUK shall provide to CSCL from slots controlled by YMUK on the PSW2
Service, 800 TEUs at 10 gwt average or 8000 tons and 60 reefer plugs per
round trip weekly sailing on a used or not used basis.~~

- (d) AAS2/AWS1 — PSW2 slot swap CSCL / PIL slot exchange (provided that CSCL and PIL have reached agreement on the terms of a charter party before January 1, 2015, as set forth in Article 5.2 hereof):

CSCL shall provide 500 slots (TEU) on PNW Loop 5 to PIL, and
PIL shall provide 500 slots (TEU) on AAS2/PSW Loop 3 to CSCL.

Any 40' HC shall be counted as 2.2500 TEUs.

Any 45' HC shall be counted as 2.5 TEUs.

~~UASC shall provide to YMUK from its AAS2/AWS1 allocation 500 TEUs at 10 gwt average or 5000 tons and 46 reefer plugs per round trip weekly sailing on a used or not used basis,~~

~~and in exchange,~~

~~YMUK shall provide to UASC from slots controlled by YMUK on its PSW2 service, 500 TEUs at 10 gwt average or 5000 tons and 46 reefer plugs per round trip weekly sailing on a used or not used basis.~~

~~(e) AAS2 slots chartering~~

~~CSCL will charter to UASC from its AAS2/AWS1 allocation additional 100 TEUs at~~

~~10 gwt average or 1000 tons and 10 reefer plugs per round trip weekly sailing on a used or not used basis with the terms to be confirmed. Such slots shall be provided at such rates, and such terms and conditions, as CSCL and UASC shall from time to time agree.~~

With regard to all the services described in this Section 5.5, the Parties are authorized to discuss and agree on:

(i) financial and operational responsibility for the omission of ports and other measures taken to correct scheduling problems, as well as cancelled voyages, shut-out containers, and vessel dry-dockings and repairs.

(ii) liabilities applicable in case of damage to the vessel and/or the cargo.

(iii) the possibility to sub-charter one or more vessels between themselves to maintain and/or improve the service level offered to the customers.

(iv) the ports to be called, port rotation, and scheduling of the service to be provided by each of the services.

~~Notwithstanding the above, the Parties are authorized to charter, exchange or otherwise make available to each other space on their respective Vessels deployed in the service covered by this Agreement on such terms and conditions as the parties may agree from time to time. Upon mutual written agreement, the Parties may change the above slot allocation as they may deem necessary or desirable from time to time, without further amendment of this Agreement or any filing with the FMC.~~

Subject to prior mutual agreement in writing, the Parties may change the port

rotations set forth in Article 5.1 as they may deem necessary or desirable from time to time. Any change of the foregoing rotations (so long as the change does not increase the geographic scope beyond China, Taiwan, Korea and the Pacific Coast of the United States) shall not require further amendment of this Agreement or any filing with the FMC. The Parties are authorized to discuss and mutually agree on the ports to be called, port rotation, and scheduling of the sServices to be provided hereunder.

~~Any 40' HC shall be counted as 2.25 TEUs.~~

~~Any 45' HC shall be counted as 2.5 TEUs.~~

The terms of the slot ~~swap~~ exchange and chartering between the Parties are on Free-In-Out-Stowed (FIOS) basis. Common terminal charges (such as but not restricted to overtime, idle time, waiting time, extra labor if any, any expenses resulting from

schedule adjustment due to Force Majeure cases, etc.) will be invoiced to each Party proportionally to its share of the total throughput in boxes, in each port if identifiable, otherwise in accordance with their allocation shares.

On individual sailings, the Party operating the Vessel shall guarantee to each other Party hereto the availability of the other Party's "Basic Slot Allocation" (being such Party's allocation determined in accordance with ~~the second paragraph and a), b), c), d), e) of this Article 5.5)~~, even if this means a reduction in its own space allocations, unless otherwise agreed. Each Party shall be entitled to utilize any excess capacity on Vessels it operates in the sServices covered by this Agreement. Notwithstanding the above, the Parties are authorized to charter, exchange or otherwise make available to each other space on their respective Vessels deployed in the services covered by this Agreement on such terms and conditions as the Parties may agree from time to time. Upon mutual written agreement, the Parties may change the above slot allocation as they may deem necessary or desirable from time to time, without further amendment of this Agreement or any filing with the FMC.

All slots exchanged on a structural basis shall be regarded as taken on a used/not used basis round-trip voyage. The Parties are also authorized to provide additional space to each other on either an as available/as needed basis or on a used/~~unused~~ or not used basis on such terms as they may agree from time to time. The Parties may agree on separate rates for shorter sectors of the round-trip voyage and for the movement of empty containers.

~~The Parties may agree to release slots to each other in addition to the Basic Slot Allocation, both on an ad hoc basis and a structural basis, on terms, including slot~~

~~charter rates, to be agreed upon by the Parties. Any regular over/under provision of capacity or further ad hoc sale or purchase of slots between the Parties will be paid for at rates, and upon terms, to be agreed.~~

~~—— If one Party sells slots to the other Party on an ad hoc basis under this Agreement, financial recompense shall be made to the providing Party on the basis of an ad hoc slot fee as the Parties may from time to time agree. The Parties may agree on separate rates for shorter sectors of the round trip voyage and for the movement of empty containers.~~

In establishing ~~fees-rates~~ for ad hoc sales and / or structural sales and purchases of slots, the Parties will use standard reference prices for ~~ships~~ Vessels, bunkers and port costs and shall not exchange vessel operating costs with the others.

~~The Parties are authorized to charter vessels, or slots on vessels, to and from each other for use in the Trade on terms and conditions as they may agree from time to time.~~

5.6 Efficient Use of Equipment, Terminals, Stevedores, Ports and Suppliers

The Parties may establish pools of, or otherwise cooperate to interchange, their empty containers, chassis and/or related equipment to provide for the efficient use of such equipment as between themselves, or with others on such terms as they may agree. The Parties may also jointly contract with or coordinate in contracting with stevedores, terminals, ports, inland depots and suppliers of equipment, land, or services, or may designate another Party to provide or manage such services and equipment or equipment pools on the designating Party's behalf. For the Loop 3 service only, ~~The Parties may agree that they will select terminals to the satisfaction of all Parties according to the following objective criteria including, but not limited to service level, rates and costs offered to the Parties. on criteria for the selection of terminals to be used in the Services.~~ Nothing herein shall authorize the Parties to jointly operate a marine terminal in the United States.

Subject to the above conditions being respected, the Parties agree to select terminals where any Pparty has equities.

5.7 Liability

Prior to the start of the Services, the Parties shall agree on their respective liabilities with respect to damage to cargo (including general average) and/or equipment,

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loss of or damage to a vessel; accidents; hazardous, breakbulk, or oversized cargoes; loss or damaged caused by cargo; damage to persons or property; failure to perform; general average; and any liability to third parties; and the procedures to be followed in handling claims for such damage any of the foregoing. Each Party shall be responsible for insurance on its Vessels. The foregoing terms, conditions, and liabilities may be changed from time to time as the Parties may agree.

ARTICLE 6: USE OF SLOTS

6.1 Slot Sales to Third Parties

No Party may sub-charter space allocated under this Agreement to any third party without the written approval of the other Parties, which agreement shall not be unreasonably withheld and the answer should not be unduly delayed.

The Parties agree they may sub-charter space to any third party on services on which they are the sole vessel provider without the prior consent of the other Parties.

Notwithstanding the afore-mentioned,

- (i) the Parties may, without prior written consent of the other Parties, sub-charter space to their affiliates (being a company that controls, is controlled by, or is under common control with such Party) , from time to time.
- (ii) Slot releases to third parties which exist at the time of entering into this Agreement are accepted as an exception, provided such third parties are identified to other Parties prior to entering into this Agreement. The Parties agree that CSCL may release slots to COSCON and EVERGREEN.
- (ii)(iii) UASC may sub-charter space to HSDG on any service operated under this Agreement, without the prior consent of the other Parties.

All agreed third parties (including fully owned subsidiaries or affiliates) sub-chartering slots from the Parties shall be duly identified with proper operator codes on all loading lists and bayplans of all Vessels in ports.

6.2 Subcharters

For purposes of this Article 6.2 and Article 6.3 hereof, the term "Owner" refers to the Party operating the Vessel, and the term "Charterer" refers to the Party utilizing space on the Vessel operated by the other Party hereto.

In the event space is sub-chartered in accordance with the terms hereof, such sub-charter shall be without prejudice to the Charterer's obligations to the Owner under this Agreement, and the Charterer shall be liable to the Owner for all liabilities and damages that may result from such sub-charter. The Charterer shall hold the Owner harmless and indemnify the Owner in the event of any liability or damages assessed against the Owner as a result of the carriage of containers in slots sub-chartered by the Charterer.

6.3 Use of Additional Space

In the event that an Owner is able to load more than the ~~nominal-declared~~ capacity/deadweight of a particular Vessel as a result of the conditions appertaining to an individual voyage, the Owner may, but shall not be obliged to, offer such additional space to ~~one or both~~ any of the other Parties. If such space is taken up by another Party, such other Party shall pay for any such additional slots at the agreed ad hoc slot rate.

ARTICLE 7: SEPARATE MARKETING

Each Party shall retain its separate identity and shall have separate sales, pricing and marketing functions. Each Party shall issue its own bills of lading to its shippers, handle its own claims, and be fully responsible for the expenses and operations of its own Vessels, which shall not be disclosed to the other Parties. Each Party shall be responsible for the terminal costs attributable to cargo moved on its own bills of lading unless such costs are the result of actions taken by a non bill of lading Party.

ARTICLE 8: VOTING, OFFICIALS OF THE AGREEMENT AND DELEGATIONS OF
AUTHORITY

Voting under this Agreement shall be based on one vote per Party. Unless otherwise
agreed by the Parties, all decisions under the Agreement shall require unanimous vote of
the Parties.

The following persons shall have authority to sign and file this Agreement or any
modification to this Agreement, to respond to any requests for information from the FMC,
and to delegate such authority to other persons:

- (a) The President, Chief Executive Officer, or any Vice President of each
Party hereto; or
- (b) Legal counsel for each Party hereto.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall commence on ~~December 2nd, 2013~~ or about week 3 of 2015
or the date this Agreement becomes effective under the Shipping Act of 1984, as
amended, whichever is later (such date, the "Effective Date"), and shall remain in force
for a minimum period until May 19th, 2016(the "Initial Term").

~~Upon expiration of the Initial Term, this Agreement shall continue for an unlimited
period of time unless terminated by a Party giving six (6) months' prior written notice to
the other Parties. For the avoidance of doubt, the first notice may not be served prior to
November 19th, 2015, unless prior written consents of the other Parties are received in
accordance with Article 16 hereof.~~

Upon expiration of the Initial Term, this Agreement shall continue indefinitely.
Provided, however, that after the expiration of the Initial Term, any Party may withdraw

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- Asia and US/Canada West Coast Services
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upon six (6) months' prior written notice to the other Parties. For the avoidance of doubt, the first notice may not be served prior to November 19th, 2015, unless prior written consents of the other Parties are received in accordance with Article 16 hereof.

~~If upon the date this Agreement would otherwise terminate, the round trip voyages commenced prior to such termination date have not been completed, this Agreement shall (unless otherwise agreed), be automatically extended for such time as required to~~

~~complete such round trip voyages.~~

Notwithstanding the foregoing, and unless otherwise mutually agreed, this Agreement will nevertheless remain in force until the completion of all of the roundtrip voyages included in the current cycles of the Loop 3 Service which have already started at the date of effect of such notice of termination, meaning that all Vessels of the concerned cycles departing from the first port of loading in Asia after the date of termination will remain subject to the terms of this Agreement until such Vessels arrive back in Asia and all cargo and containers are discharged at the last discharge port in the Far East.

Notwithstanding the foregoing, and unless otherwise mutually agreed, this Agreement will nevertheless remain in force until the completion of all the roundtrip voyages of the services involving solely a slot exchange under this Agreement (in other words, PSW 2/PSW Loop 2, AAC/PSW Loop 4 and PNW Loop 5), which have already started from the first port of loading in Asia, prior to the date of effect of such notice of termination, meaning that all vessels arrive back in Asia and all cargo and containers discharged up to last port in Far East.

Notwithstanding the above, this Agreement:

(a) may be terminated at any time by a non-breaching Party in case of breach by any Party of any fundamental term of this Agreement; which fundamental terms may be agreed upon in writing from time to time by the Parties;

(b) may be terminated at any time upon mutual written agreement of the

Parties; and

- (c) shall terminate immediately, if any Party becomes insolvent, is in receivership, bankrupt or enters into a similar proceeding.

ARTICLE 10: ADMINISTRATIVE MATTERS

The Parties are authorized to enter into further agreements with respect to routine operational, technical and administrative matters to the extent necessary or desirable to implement the general provisions contained in this Agreement without amendment to this Agreement. Any further agreement contemplated among the Parties, except to the extent such further agreement relates to routine operational, technical and administrative matters, shall be executed as an amendment or supplement to this Agreement, shall be filed with the FMC and shall become effective under the Shipping Act of 1984 prior to being implemented.

ARTICLE 11: APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of England, except that nothing shall relieve the Parties of their obligation to comply with the Shipping Act of 1984, as amended.

ARTICLE 12: NO PARTNERSHIP, JOINT VENTURE OR AGENCY

This Agreement does not create and shall not be interpreted as creating any partnership, joint venture or agency relationship among or between the Parties, or any joint liability under the law of any jurisdiction.

ARTICLE 13: ~~ARBITRATION~~ JURISDICTION

~~All disputes or differences arising under this Agreement which cannot be amicably resolved shall be referred to arbitration in London, England in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof and subject to the London Maritime Arbitrators Association ("LMAA") Rules in force.~~

~~Notwithstanding the generality of this Article 13 where the claim does not exceed:~~

~~o The sum of US\$ 400,000, the arbitration shall be conducted in accordance with the LMAA FALCA Rules in use at the time of the dispute or difference.~~

~~o The sum of US\$ 100,000, the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure in use at the time of the dispute or~~

difference.

~~However, in the event that the Claim exceeds US\$ 400,000, then the arbitration shall be conducted under LMAA Terms (2002) or any such later terms as may be in use at the time of the dispute or difference. For the purpose of this clause, a claim shall consist of all claims in respect of one occurrence or accident or series of occurrences or accidents arising out of one event.~~

~~Notwithstanding the above clauses, the Parties agree to consider mediation at the time of appointment of an arbitrator and without prejudice to the arbitration proceedings. Such mediation shall be conducted under the LMAA Mediation Terms (2002) or any such later Terms as may be in use at the time of such dispute or difference. If a Party calls for mediation and such is refused, the Party calling for mediation shall be entitled to bring that refusal to the attention of the arbitrators.~~

(a) Any dispute or difference arising out of or in connection with this Agreement which cannot be resolved amicably shall be referred to the exclusive jurisdiction of the High Court of Justice in London. However any dispute relating to loss or damage to cargo or container carried under either Party's B/L shall be referred to the law and jurisdiction mentioned in the B/L of this Party.

(b) Either Party may at any time call for mediation of a dispute under the auspices of the LMAA (London Maritime Arbitration Association). Unless agreed, such mediation shall not otherwise interfere with or affect anything else including the time bars and Court procedure. If a Party calls for mediation and such is refused, the Party calling for mediation shall be entitled

to bring that refusal to the attention of the Court.

(c) The Parties shall keep confidential all awards made, together with all materials in the proceedings created for the purpose of the mediation, and all other documents produced by another Party in the proceedings not otherwise in the public domain – save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a court or other competent judicial authority.

ARTICLE 14: FORCE MAJEURE

Performance under this Agreement shall be excused to the extent it is frustrated by the existence or apprehension of Act of God, war (declared or undeclared), hostilities, warlike or belligerent acts or operations, sanctions, terrorism, riots, civil commotion or other disturbances; closure of, obstacle in or danger to any canal; blockade of port or place or interdict or prohibition, condition or restriction of any kind on calls by any Party's vessel at any port, which result in such vessel's practical inability to call such port, or any restriction on commerce or trading; governmental action, including but not limited to quarantine, sanitary or other similar regulations or restriction; search and rescue participation order by authorities; strike, lockouts or other labor troubles whether

partial or general and whether or not involving employees of a Party or his sub-contractor; or any other event or circumstances beyond the control of a Party (not including commercial circumstances) which render the Agreement wholly or substantially impracticable.

Unless it is the consequence of a Force Majeure event as described in the foregoing, un-seaworthiness, breakdown of the Vessel's machinery, defect in and accident to the Vessel (including collision, stranding, fire and etc.), whether or not due to the crew's acts or omissions, weather except for extreme cases such as typhoon, hurricane or fog causing port closure, port congestion, labour shortages, shall not be deemed as Force Majeure unless agreed otherwise.

ARTICLE 15: HARDSHIP

In the event that a Party considers that any cause, happening, or event not within its control substantially impairs its ability to enjoy its rights or carry out its obligations hereunder, then at its request, the Parties shall meet with all reasonable dispatch in order to consider such possible adjustment of the terms hereof as may be mutually acceptable.

ARTICLE 16: NOTICES

All legal process, notices or other formal communications required by or in connection with this Agreement shall be in writing and shall be deemed given when (a) delivered by hand, (b) transmitted by telecopier (assuming clear transmission), or electronic mail or (c) delivered, if sent by Express Mail, Federal Express or other express delivery service, or registered or certified mail, return receipt requested, to the addressee

at the following addresses or telecopier numbers (or to such other addresses or telecopier number as a Party may specify by notice given to the other Parties pursuant to this provision):

To CSCL:

China Shipping Container Lines Co., Ltd.

~~Room A, B, C, D, Floor 27~~ Floor 20

~~No. 450 Fu Shan Road, Pu Dong New Area~~ No. 628 Min Sheng Road, Pu Dong New Area

Shanghai, China

Attn: ~~Mr. Shen Yi Ping~~ Dennis Chen

Phone : +86 21 65966268 6125

Fax : +86 21 65966538 6068

E-Mail : ~~shenyp@cnshipping.com~~ Dennis@cnshipping.com

To UASC:

United Arab Shipping Company (S.A.G.)

PO Box 55586

AL Garhoud Road, Deira

Dubai – U.A.E.

Attn: Mr. Tom Stage Petersen

Phone : +971 4 6022501

Fax : +971 4 2959583

E-Mail : tom.stage.petersen@uasc.net

To YMUK:

Yang Ming (UK), Ltd.
271 Ming De 1st Road, Cidu District, Keelung 20646, Taiwan(R.O.C)
Attention: Mr. T.S. Chia
Phone / Fax No: T : 886-2-24550427 / F: 886-2-24550777
E-Mail : TSCHIA@yangming.com
Group E-Mail: plea@yangming.com

To CMA CGM:

CMA CGM S.A.
4, Quai d'Arenc
13235 Marseille Cedex 02
France
Attn: Mr. Rodolphe Saadé / Mr. Olivier Nivoix
E-Mail: ho.rjsaade@cma-cgm.com / ho.onivoix@cma-cgm.com

To PIL:

140 Cecil Street #03-00,
PIL Building
Singapore 069540
Attn: Mr. Teo Yew Ping
Phone: +65 6429 3390
Fax: +65 6222 2389
E-Mail: yewping.teo@sgp.pilship.com

ARTICLE 17: NON-ASSIGNMENT OR CHANGE OF COMPANY OWNERSHIP

No Party shall assign or transfer this Agreement or all or any part of its rights or obligations hereunder to any person, firm or corporation without the prior written consent of the other Parties hereto.

In case the ownership or shareholding of a Party is modified in a material way altering the relevant Party's financial control or ownership, each other Party, if it judges in good faith that such modification is likely to jeopardize the Agreement's implementation and performance, shall be entitled to terminate this Agreement on six (6) months prior written notice, which notice must be given within six (6) months of such Party becoming aware of the change in ownership or control or the existence of an agreement to effect such change.

ARTICLE 18: ENFORCEABILITY

If any term, covenant, condition or proviso contained in this Agreement or the application thereto to any person or circumstance shall be held to be invalid, illegal, or

unenforceable, the remainder of this Agreement or the application of such term, covenant, condition or proviso to persons or circumstances other than those to which it is invalid, illegal or unenforceable, shall not be affected thereby and each term, covenant, proviso or condition of this Agreement shall be valid and enforceable to the full extent permitted by law.

ARTICLE 19: AMENDMENT

This Agreement may not be amended except in writing, duly signed by authorized representatives of the Parties. Any such amendment shall be filed with the FMC and shall become effective in accordance with the terms of the Shipping Act of 1984, as amended.

ARTICLE 20: COMPLIANCE WITH U.S. LAWS

The Parties shall at all times comply with all applicable laws and regulations of the United States in force during the term of this Agreement. Any consequences resulting from non-compliance by a Party with U.S. laws or regulations shall be borne in full by the non-compliant Party.

ARTICLE 21: COUNTERPARTS

This Agreement may be executed in ~~four~~ five or more counterparts. Each such counterpart shall be deemed an original, but all together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile transmission or e-mail transmission shall be as effective as delivery of a manually executed counterpart hereof.

ARTICLE 22: SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the dates set forth below.

CHINA SHIPPING CONTAINER
LINES CO., LTD.

CHINA SHIPPING CONTAINER LINES
(HONK KONG) CO., LTD.

By: _____

Name:

Title:

Date:

By: _____

Name:

Title:

Date:

UNITED ARAB SHIPPING COMPANY (S.A.G.)

By: _____

Name:

Title:

Date:

YANG MING (UK), LTD.

By: _____

Name:

Title:

Date:

CMA CGM S.A.

CMA CGM S.A.

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By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

PACIFIC INTERNATIONAL LINES (PTE) LTD.

By: _____

Name:

Title:

Date: